

# Monthly Labour Market Fact Sheet — September 2020



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

This fact sheet summarises key highlights from the latest labour market information, including changes since the start of the COVID-19 Alert Levels. It focusses on the latest changes and data to complement MBIE's *Labour Market Statistics Snapshot*<sup>1</sup>, which is produced every quarter and uses the traditional Labour Market official statistics. For more detail about sectors and regions, see fact sheets available at MBIE's *Sector Report Series*<sup>2</sup>.

The *Monthly Labour Market Fact Sheet* will next be updated on 15 October 2020.

## Overview

### Headline statistics

Measures	Sep-19	Dec-19	Mar-20	Jun-20
Employment	2,645,000	2,650,000	2,676,000	2,665,000
— Wages or Salaried	2,316,600	2,338,000	2,333,300	2,287,200
— Self-employed	295,900	308,700	324,400	339,700
Employment Rate	67.5%	67.3%	67.5%	66.9%
Underutilisation	296,000	286,000	301,000	346,000
— Unemployment	114,000	112,000	117,000	111,000
— Underemployment	94,000	90,000	92,000	125,000
— Potential job seekers	88,300	84,400	92,600	110,400
Underutilisation Rate	10.4%	10.0%	10.4%	12.0%
Unemployment Rate	4.1%	4.1%	4.2%	4.0%
Not in the Labour Force	1,159,000	1,175,000	1,171,000	1,207,000
Youth Not in Employment, Education or Training (NEET)	69,000	76,000	91,000	81,000
NEET Rate	10.7%	11.7%	14.0%	12.5%
Average Hours Worked	38.60	38.66	38.62	37.44

*Labour Market Statistics, Stats NZ (Data to June 2020, next release on 04/11/2020)*

### The recent story

The effects of COVID-19 and Alert Level economic restrictions continue to affect New Zealand's labour market, although traditional indicators paint an inconsistent picture.

Both the unemployment and employment rates fell in the June 2020 quarter, as the number of people not in the labour force (NILF) increased by 37,000 over the quarter. Fewer people were able to actively seek work under Alert Levels 3 and 4, and so were classified as NILF rather than unemployed. This lowered the average unemployment rate measured over the June quarter.

During April, the number of people receiving Jobseeker Support Work Ready benefits increased markedly and filled jobs fell by 35,300 – a record 1.6 per cent decrease. From May onwards the number of filled jobs has rebounded and the number of benefit recipients has stabilised. The number of advertised job vacancies has continued to fall, but the reductions in June and July were far lower than in April and May.

It is likely that the COVID-19 Wage Subsidy has supported current employment levels. The wage subsidy has now covered nearly 1.8 million jobs since the scheme was introduced (1.52 million employee jobs and 247,000 sole traders). Jobs were protected while employers received the subsidy. The number of jobs protected at any one time peaked in late-May at around 1.66 million and dropped to around 286,000 in mid-August before the Resurgence scheme was introduced. When the wage subsidy concludes, employment levels may decline.

<sup>1</sup><https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/labour-market-statistics-snapshot/>

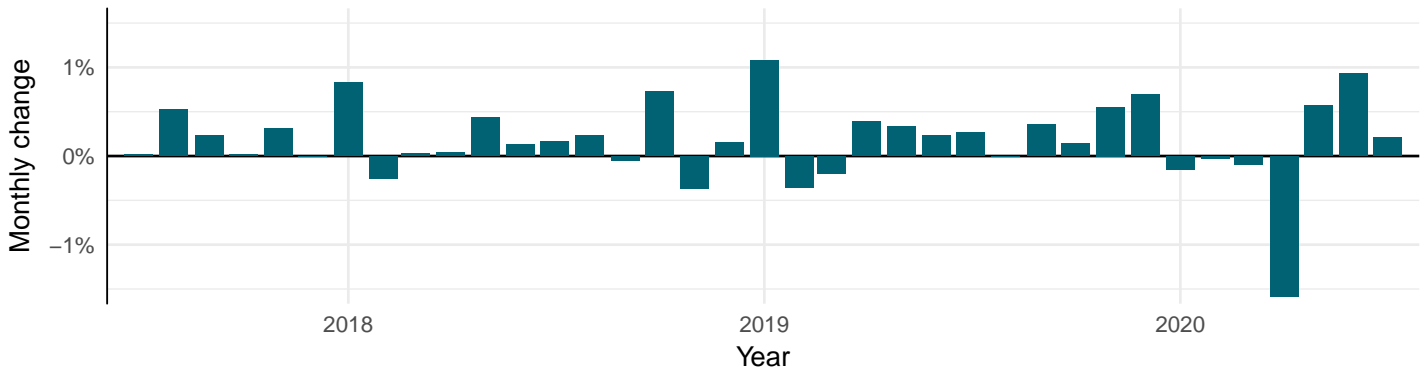
<sup>2</sup><https://www.mbie.govt.nz/business-and-employment/economic-development/sector-reports-series/>



## Filled jobs

Stats NZ's Monthly Employment Indicators (MEIs) count filled jobs, using employer payroll filing tax data. These statistics are a useful indicator to supplement the official Labour Market Statistics, although they do not count the self-employed and recent results can be subject to fluctuations due to different employers' payroll schedules. Since April 2020's record monthly fall (35,600 jobs, down 1.6 per cent), filled jobs saw strong increases in both May and June, up 16,500 back up to 2.2 million jobs in total. Adjusting for seasonal effects, there was a slight increase in filled jobs in July (0.2 per cent – within usual historical July levels), which remain above 2.2 million.

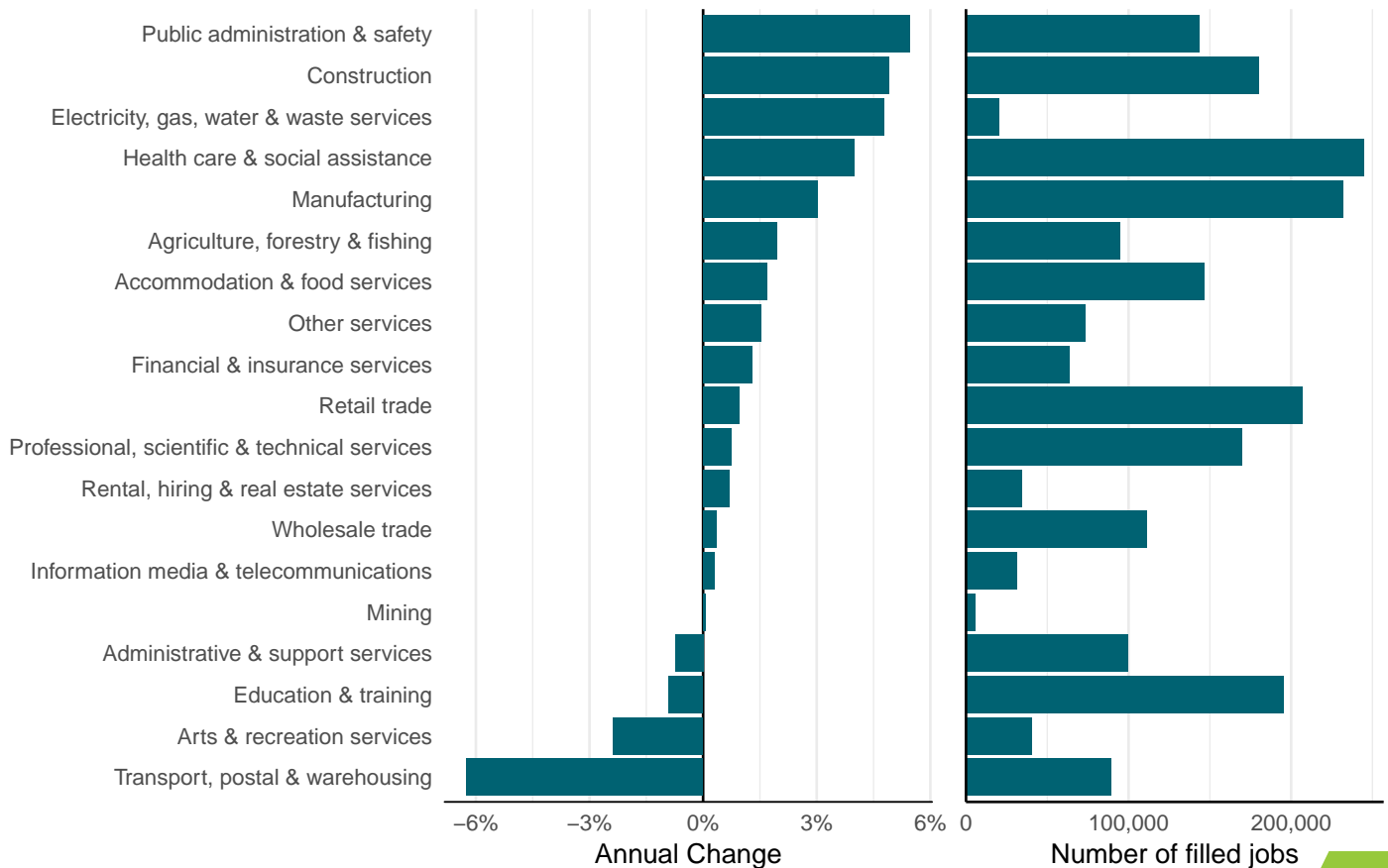
### Monthly change in the number of filled jobs, seasonally adjusted



Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to July 2020, next release on 28/09/2020)

New Zealand's filled jobs follow a highly seasonal pattern, so monthly changes in the number of jobs are only a partially meaningful indicator of economic health. Changes in comparison with the previous year are more reliable. Over the year to July 2020, total filled jobs grew by 1.6 per cent with increases in eight of the ten largest industries. As well as Construction, the industries with the largest annual increases are those more likely to provide essential services, such as Health care & social assistance, Public administration & safety and Utilities. Transport, postal & warehousing industries continue to suffer the largest annual declines.

### Filled jobs growth by industry

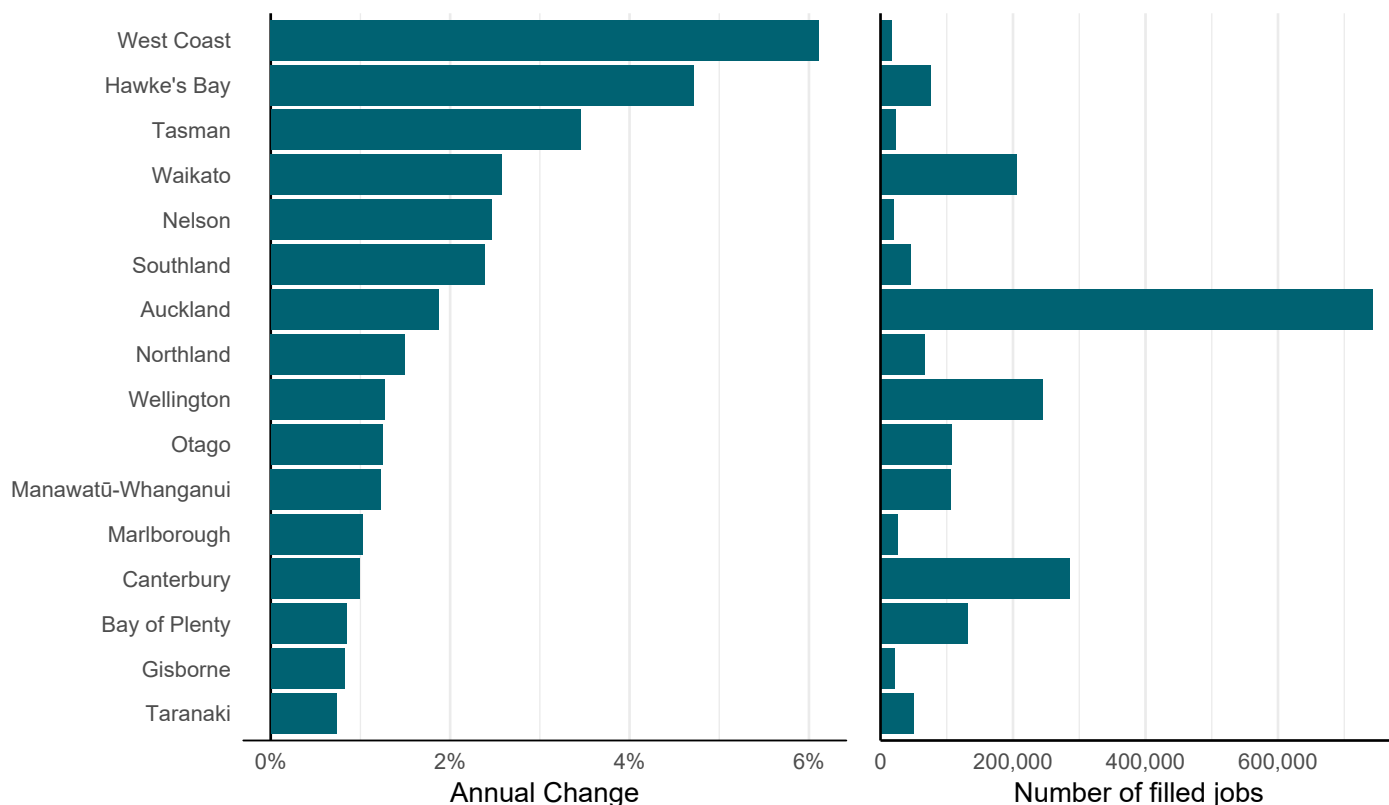


Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to July 2020, next release on 28/09/2020)



The number of filled jobs increased in all regions over the year to July 2020. Growth was strongest in the West Coast and weakest in Taranaki. Gisborne, with a large fruit growing industry, had strong annual employment growth to June 2020, but lost almost 700 jobs in July. This data predates the reintroduction of COVID Alert Level 3 in Auckland.

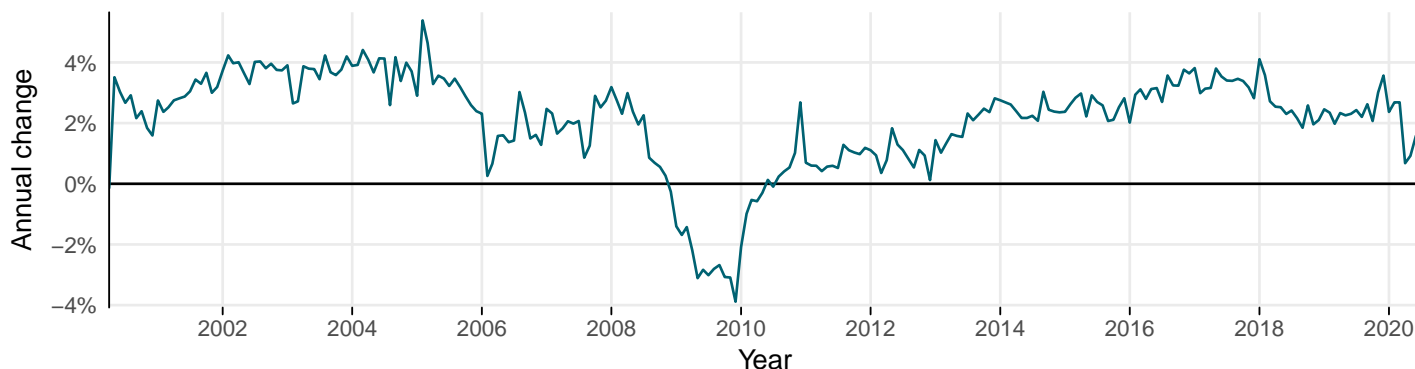
### Filled jobs growth by region



Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to July 2020, next release on 28/09/2020)

Although jobs numbers are continuing to grow annually (unlike in 2009-10 during the Global Financial Crisis), the overall annual growth remains below recent years.

### Annual percentage change in filled jobs



Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to July 2020, next release on 28/09/2020)

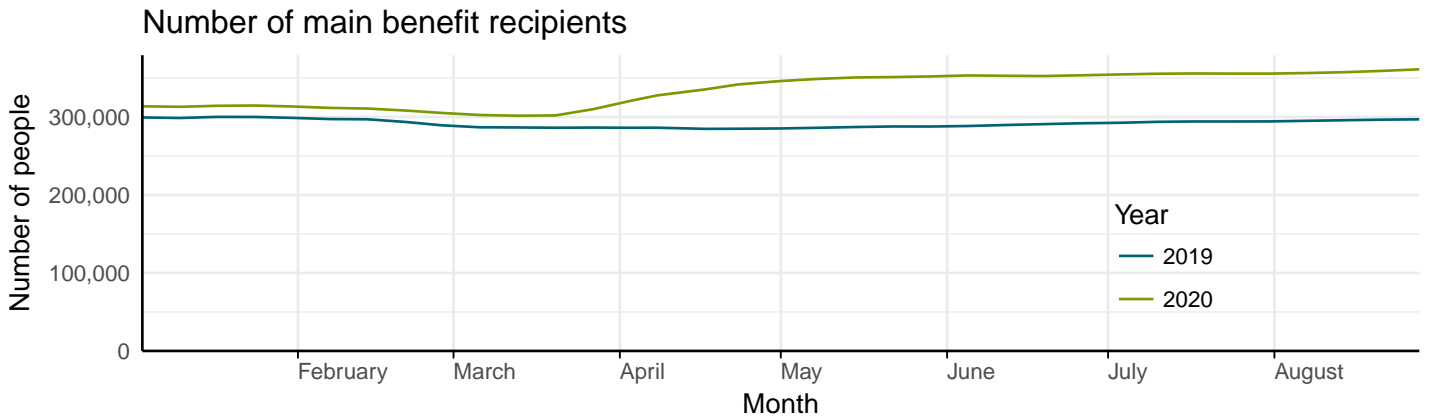


## Benefit Recipients

The number of people receiving a main benefit continued to slowly increase, reaching 361,170 on 28 August 2020, an increase of 64,100 since the same week last year and an increase of 5,500 over the last month. The largest three main benefit categories were Jobseeker Support (197,227 recipients), Supported Living Payment (94,164 recipients) and Sole Parent Support (65,165 recipients).

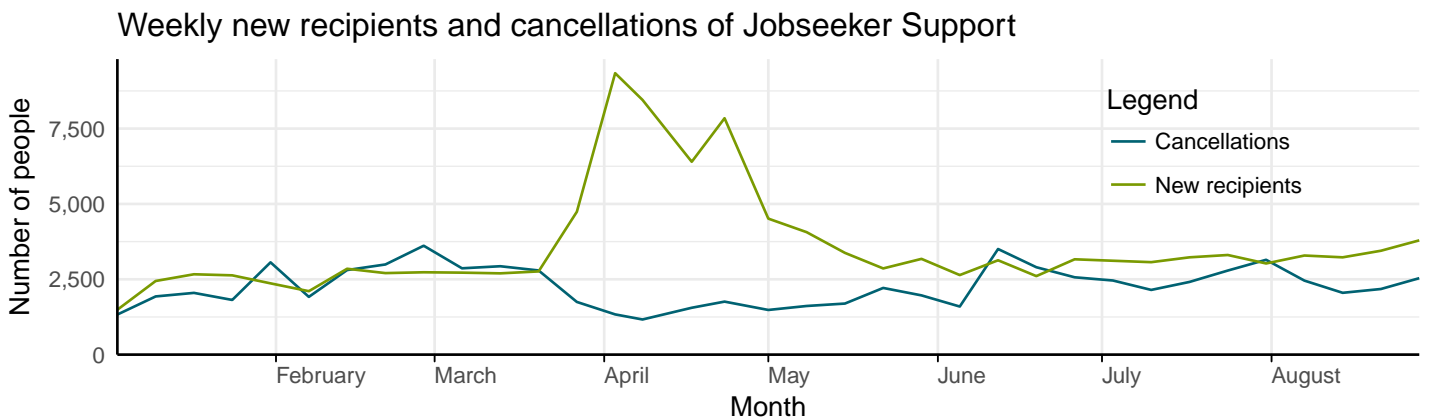
A further 24,800 people were receiving the COVID-19 Income Relief Payment (CIRP), which is not included in the main benefit total. Only 2,750 recipients had transferred to CIRP from Jobseeker Support while the other 22,100 were new beneficiaries.

Benefits are primarily a measure of how many people require income support rather than a measure of unemployment, but since 2008 the number of Jobseeker Support recipients has mostly tracked in line with the number of unemployed individuals. We are measuring all main working age benefits<sup>3</sup> here to cover additional circumstances in which someone could need extra income – as a better proxy for the underutilisation rate, which is a more useful measure of “slack” in the labour market than unemployment alone.



Working-age main benefits, MSD (Data to 28/08/2020, released every Friday)

Jobseeker Support is the most commonly claimed benefit, with 197,227 people receiving it at the end of August. The number of Jobseeker Support recipients increased rapidly from late March and throughout April, but has stabilised since May, although at a slightly higher level than before the Level 4 lockdown. Since mid-June, the number of Jobseeker Support cancellations has returned to pre-lockdown levels.



Working-age main benefits, MSD (Data to 28/08/2020, released every Friday)

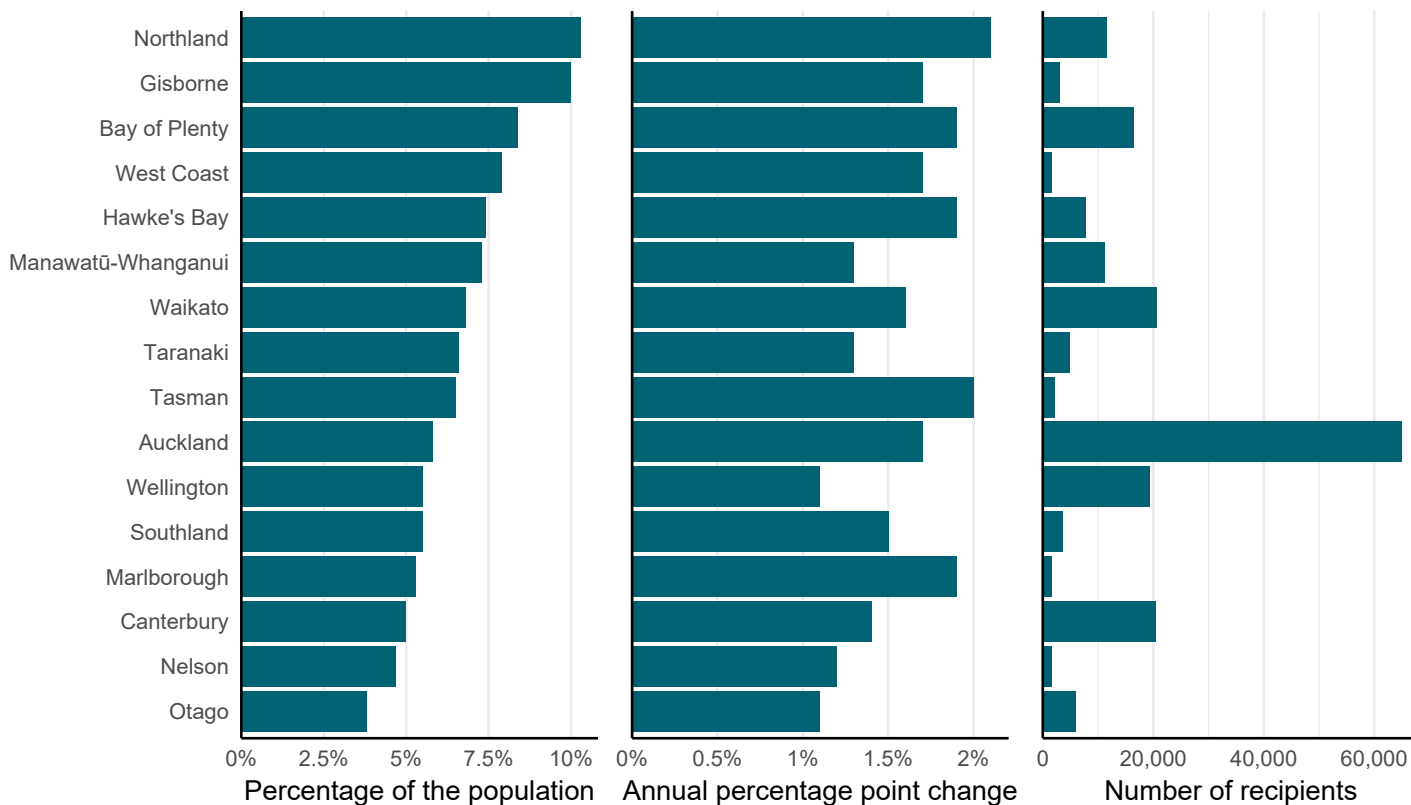
<sup>3</sup><https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/benefit/2020/benefit-fact-sheets/bfs-t1-stats-information.docx>



MSD and MBIE are continuing to investigate the relationship between benefits and underutilisation in the labour market. The percentage of the population receiving Jobseeker Support regionally has a similar distribution to unemployment rates, but recent growth in Jobseeker Support recipients doesn't strongly match this regional pattern.

As at 28 August, there were 64,900 people receiving Jobseeker Support in Auckland – an increase of 2,100 people since Auckland moved back into Alert Level 3 on 12 August.

### Jobseeker benefit recipients by region



Working-age main benefits, MSD (Data to 28/08/2020, released every Friday)



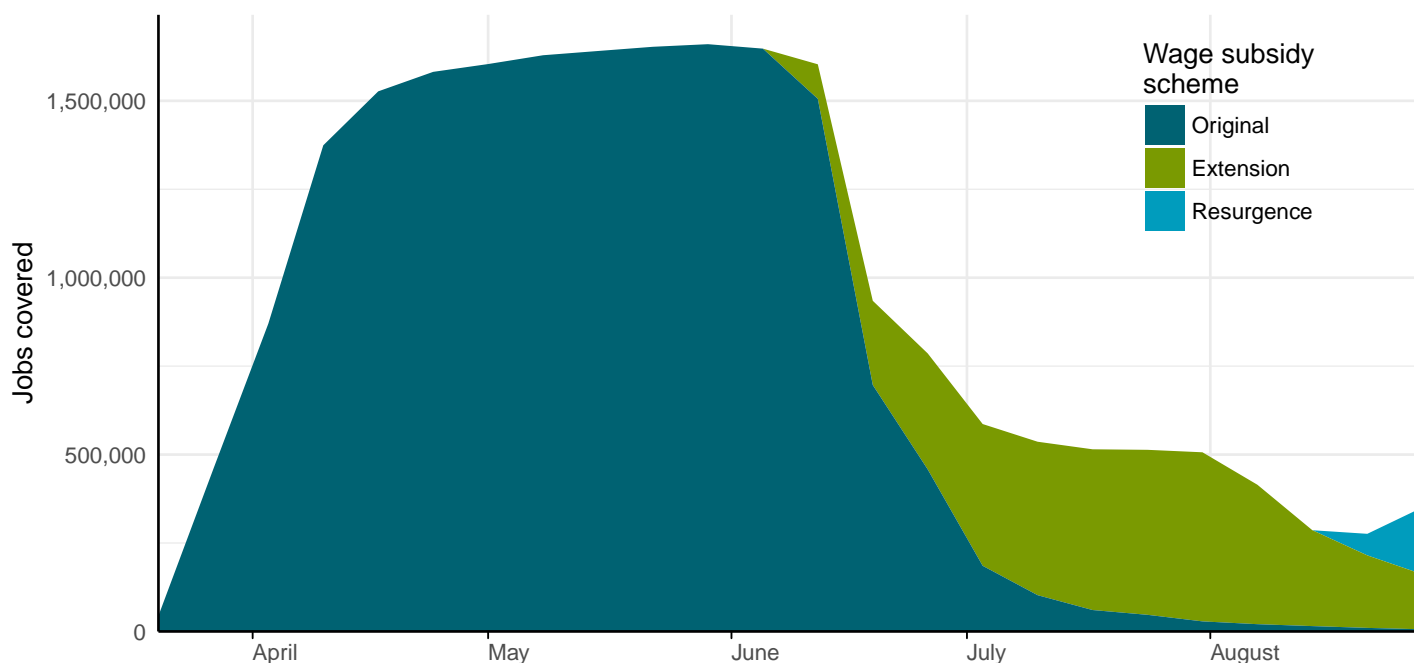
## Wage Subsidy

The COVID-19 Wage Subsidy and Leave Payment Scheme was introduced to assist businesses in paying their staff, allowing businesses to claim \$585.80 per week per full time employee (\$350 per part time employee) for up to 12 weeks. The Wage Subsidy Extension scheme was introduced on 10 June, covering jobs for up to 8 weeks and a Resurgence Wage Subsidy payment was available for the last two weeks in August as Auckland was placed at Alert Level 3 and the rest of the country moved back into Alert Level 2.

In total, the schemes have now covered 1.77 million jobs (1.52 million employees and 247,000 self-employed), with 556,000 jobs covered by the extension scheme and 189,000 covered by the Resurgence scheme. It is possible for a job to have been covered by all three schemes.

One of the conditions of receiving a wage subsidy is that the employer cannot make a worker redundant whilst receiving support for their job (up to twelve weeks for the original scheme, eight for the extension and two for the Resurgence scheme). The chart below shows the number of jobs that the subsidy supported over time, based on the number of applications received each week and assuming that all jobs from those applications were supported for the duration of the schemes.

Number of jobs supported by wage subsidy schemes



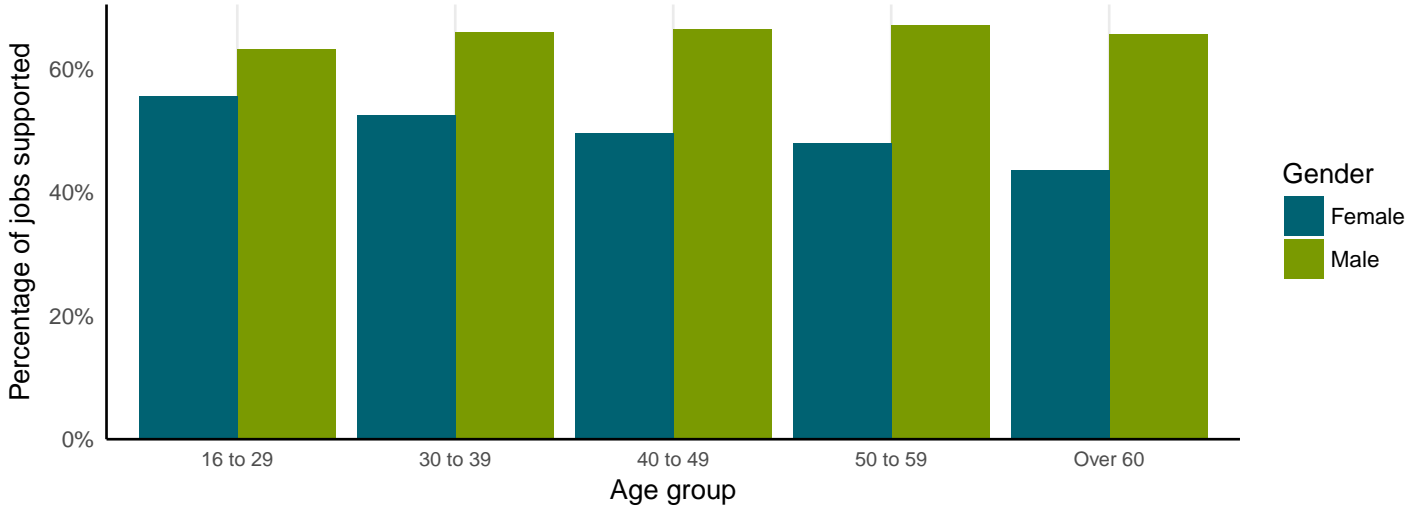
Income Support and Wage Subsidy Weekly Update, MSD (Data to 28/08/2020, released every Friday)



MSD have used Stats NZ's Integrated Data Infrastructure (IDI) to investigate the characteristics of the workers whose employers received the original Wage Subsidy Scheme, which has now closed to new applications.

The jobs that were protected were more likely to belong to men, or younger women, with 65 per cent of male employees working jobs that were protected by the wage subsidy, compared to 51 per cent of females. Because of the industries they worked in, there was minimal age effect for men but younger female workers were more likely to work in jobs protected by the subsidy.

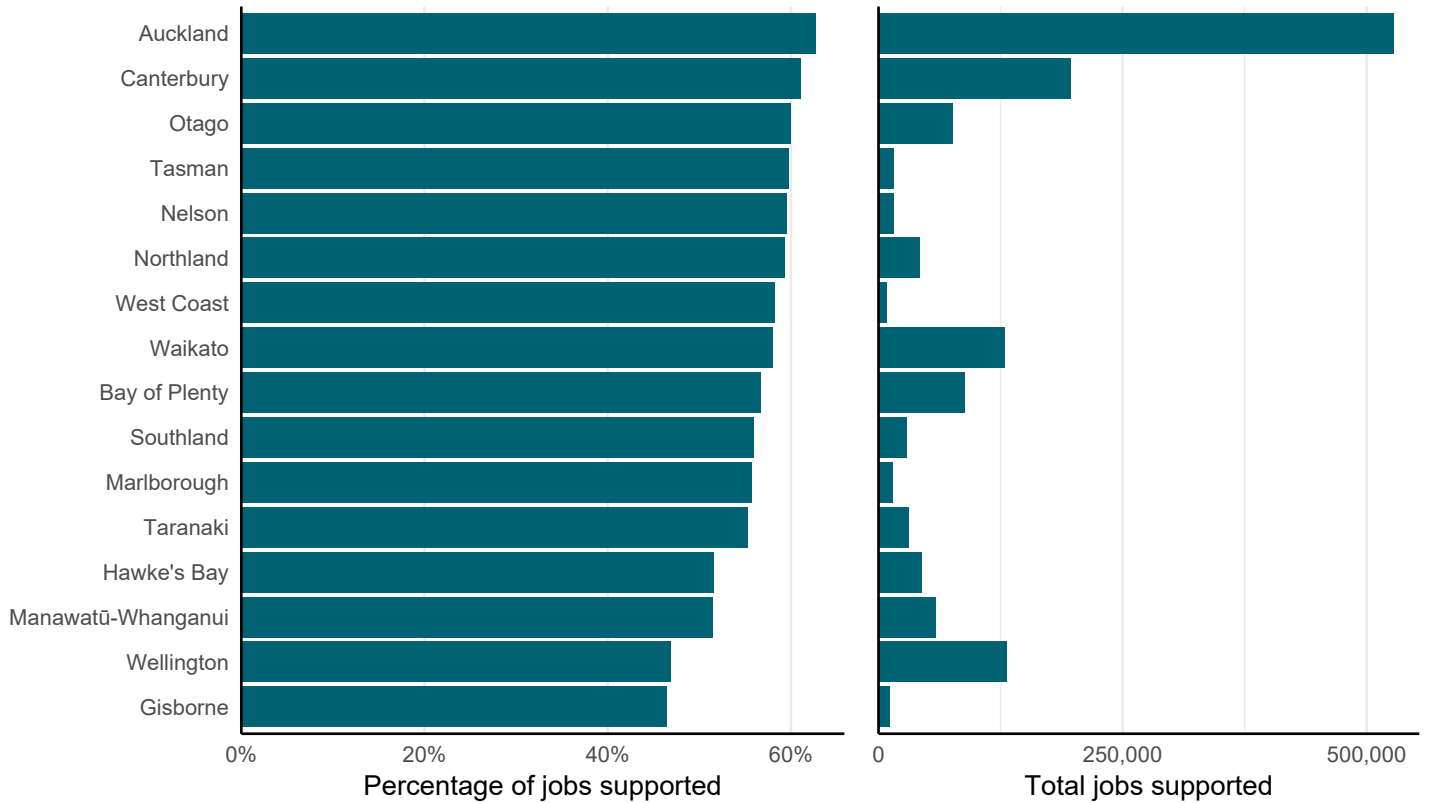
### Proportion of jobs supported by wage subsidy schemes by age and gender



COVID-19 evidence, MSD (Data as at 24/07/20)

Regions with a higher proportion of essential service businesses tended to require less protection from the subsidy. Gisborne, Hawke's Bay and Manawatū-Whanganui all have large employment in food production, whilst Wellington has a high concentration of employment in Public Administration. Public sector institutions were generally ineligible for the scheme.

### Proportion of jobs supported by wage subsidy schemes by regional council



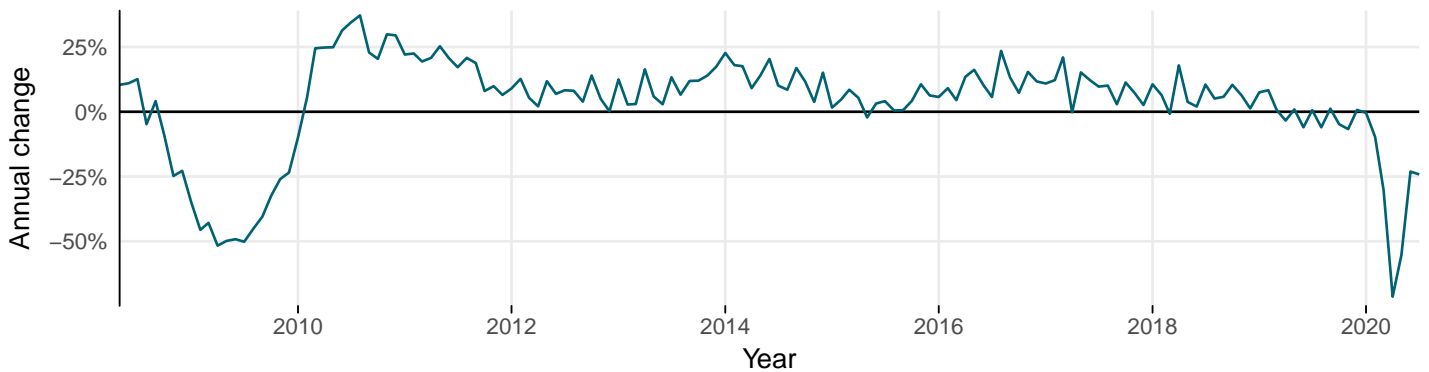
COVID-19 evidence, MSD (Data as at 24/07/20)



## Job Vacancies

The number of jobs advertised online on major job boards increased in July, although it fell compared to July 2019 (which had an unusually high level of advertising). The All Vacancies Index fell 24.2 per cent over the year to July 2020, compared to an annual fall of 23.1 to June 2020 and of 71.4 per cent to April 2020, during lockdown.

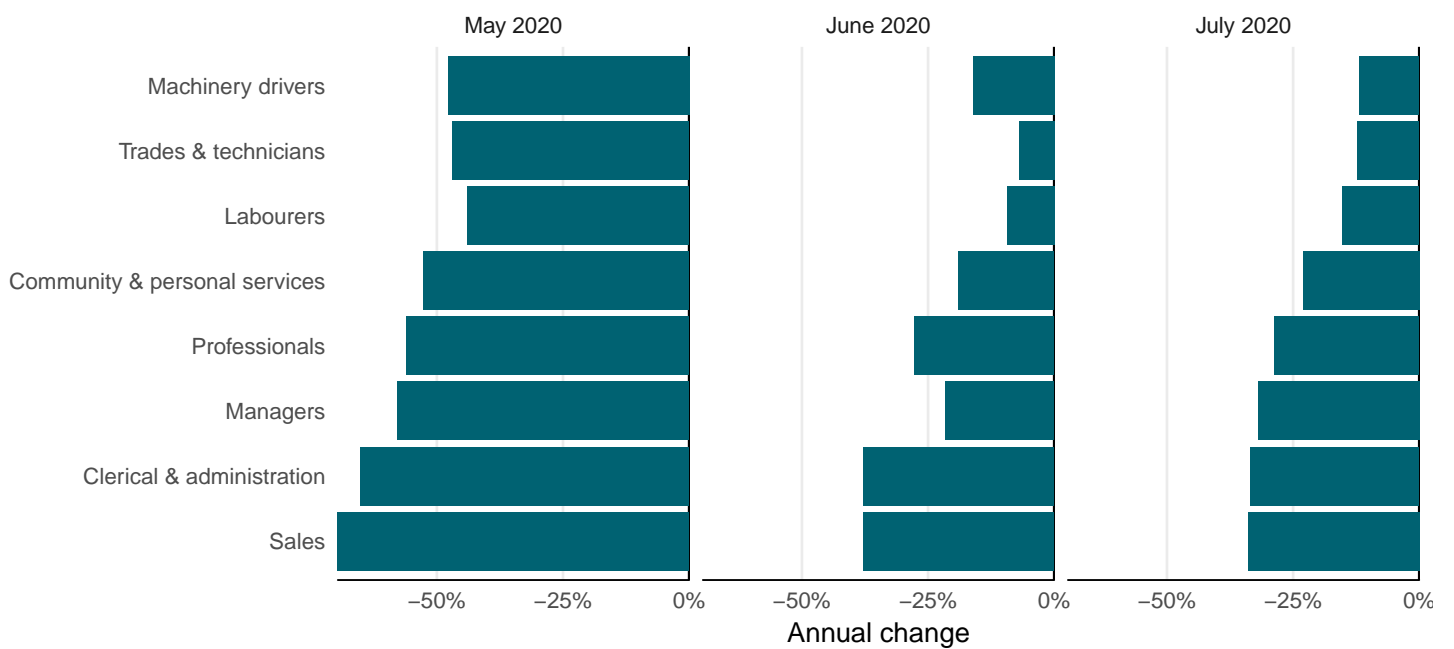
Annual change in online job advertising



Jobs Online, MBIE (Data to July 2020, next release 14/09/20)

The largest annual reductions in advertising were in Sales and Clerical & administration occupations. With the lower Alert Levels in June and July, Machinery drivers, Trades & technicians, and Labourers saw the strongest rebounds in job advertising levels.

Annual change in online job advertising by occupation, latest three months



Jobs Online, MBIE (Data to July 2020, next release 14/09/20)





---

## Data sources

---

### Household Labour Force Survey (HLFS) | Stats NZ

The HLFS is a nationwide, quarterly survey of households run by Stats NZ. It is the official measure of employment and unemployment in New Zealand. Data from the HLFS is used as an indicator of the overall health of the economy, particularly the unemployment rate. The HLFS is also good for making comparisons of labour force variables across demographic characteristics.

### Monthly Employment Indicator (MEI) | Stats NZ

The MEI series from Stats NZ provides an early indication of changes in the labour market. These indicators use a combination of data from two different Inland Revenue sources: the Employer Monthly Schedule (EMS) and payday filing. This data is used to produce the filled jobs and gross earnings indicator series, published four to five weeks after the end of the reference month.

### Monthly Benefits Update | Ministry of Social Development (MSD)

The Monthly Benefits Update from MSD provides an overview of benefit and supplementary assistance data. The report presents monthly benefit receipt numbers, and the accompanying data file provides additional information and breakdowns.

## Previous editions

The Monthly Labour Market Fact Sheet brings together the latest available data and surveys. July's edition<sup>4</sup> included findings from the Ministry of Health's *COVID-19 Health and Wellbeing Survey*, the Ministry of Social Development's *Wage Subsidy Survey* and Auckland Tourism, Events and Economic Development's (ATEED) *COVID-19 Business Survey*. August's edition<sup>5</sup> included findings from Victoria University's *Life in Lockdown* survey.

## Contact us

For further information on the data contained in this fact sheet, please email us: [LabourMarketInsights@mbie.govt.nz](mailto:LabourMarketInsights@mbie.govt.nz).

### Income Support and Wage Subsidy Weekly Update | Ministry of Social Development

The Income Support and Wage Subsidy Weekly Update provides an overview of income support, including COVID-19 Income Relief Payment data. MSD's COVID-19 reporting is available at: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/covid-19/index.html>

### Jobs Online | Ministry of Business, Innovation and Employment

Jobs Online is a regular data series published quarterly by MBIE that measures changes in online job advertisements from four internet job boards — Seek, Trade Me Jobs, Education Gazette and Kiwi Health Jobs. A monthly series is available at <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/jobs-online/#jobs-online-monthly-data-release>

---

<sup>4</sup><https://www.mbie.govt.nz/dmsdocument/11556-monthly-labour-market-fact-sheet-july-2020>

<sup>5</sup><https://www.mbie.govt.nz/dmsdocument/11637-monthly-labour-market-fact-sheet-august-2020>

